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STATE FOR ISN/MTR, EUR/PRA, AND EUR/AGS
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E.O. 12958: DECL: 06/06/2017

TAGS: PARM PREL ETTC MTCRE KSCA GM IR

SUBJECT: (S) GERMANY NOTIFIED ABOUT GERMAN FIRM POSSIBLY TRYING TO PROVIDE TEST CHAMBER TO IRAN'S MISSILE PROGRAM

REF: A. STATE 75839

1B. 06 BERLIN 1550 AND PREVIOUS

Classified By: Global Affairs Counselor Donald R. Shemanski, for reason s 1.4 (b) and (d).

¶1. (S) Global Affairs officer passed ref A demarche to German MFA Export Control Division Desk Officer Volker Herzog June ¶4. Herzog said it is worrisome that German firm ICS Schneider Messtechnik is seeking to circumvent German export controls to deliver environmental test chambers to Iran's Rakin and Pooya Commercial and Engineering, especially since ICS Schneider representatives in 2006 told authorities from the German Federal Economic and Export Licensing Agency (BAFA) that they would apply for licenses to export dual-use items to Iran.

¶2. (S) Herzog said he will pass the information from ref A to the German inter-agency export control group for investigation. As part of the investigation, Herzog said, BAFA will check to see whether ICS Schneider applied to export environmental test chambers to Iranian entities or to the Croatian firm Belmet 97 or the Romanian firm Eurocontrol S.R.L. Herzog noted that because German exporters do not ordinarily need to apply for licenses to export dual-use items to entities in EU member states, it might be difficult for German authorities to trace ICS Schneider's planned diversion of environmental test chambers to Iran.

Nevertheless, he expects German Customs authorities to be alerted to check shipments from ICS Schneider to entities in Iran or the other countries mentioned in ref A demarche. ICS Schneider would be guilty of violating German law if it knowingly shipped such dual-use items to Iran -- especially with a falsified end use declaration -- without applying for an export license first, Herzog said. He said he will convey the results of the German investigation to us.

¶3. (U) Post will report any subsequent German response septel.
TIMKEN JR